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SUBJECT: MESSY DIVORCE AS UZBEKS PULL OUT OF ENERGY RELATIONSHIP WITH
TAJIKISTAN

REF: A. DUSHANBE 1348
[1](#)B. TASHKENT 1904
[1](#)C. DUSHANBE 251
[1](#)D. DUSHANBE 1215
[1](#)E. DUSHANBE 712

DUSHANBE 00001364 001.2 OF 004

[1](#)1. (SBU) Summary: As of December 1, Uzbekistan has withdrawn from the unitary Central Asian power grid, precipitating an acrimonious war of words with Tajikistan. Dushanbe responded by promising to hold back as much water as possible from rivers feeding downstream Uzbekistan, saying it needed the water to generate hydroelectric power lost by the Uzbek pullout. President Rahmon convened an extraordinary meeting of international donors to request their assistance and to blast Tashkent over the power issue (Ref A). The Uzbek Embassy held a packed press conference to air its views, stating somewhat implausibly that the action was not directed against Tajikistan. Tajik authorities countered with their own press conference hammering Tashkent. Meanwhile, President Rahmon "recommended" that Tajik citizens "volunteer" a portion of their salary to help pay for construction of the huge Roghun hydroelectric power station, which the government sees as its salvation. Post-independence relations between Uzbekistan and Tajikistan have never been smooth, but with the latest actions the relationship has become even more dysfunctional. End summary.

UZBEKS CALL FOR A SEPARATION

[1](#)2. (SBU) On December 1, Uzbekistan officially withdrew from the Central Asian United Energy System, the Soviet-built grid that has balanced regional power production and consumption and agricultural water use for four decades (ref B). The system was designed so that when the upstream republics of Tajikistan and Kyrgyzstan had a summer surplus of hydroelectric power, they would send power to the downstream republics of Uzbekistan, Turkmenistan, and, to some extent, Kazakhstan. In winter, coal- and gas-produced power would flow in the opposite direction. At the same time, water flow was regulated to support agricultural production. Since the Soviet Union collapsed, however, the independent Central Asian states have not made stable agreements on power and water use. As the always tense relationship between the Tajik and Uzbek leadership has soured further, energy trade has become increasingly problematic. Each of the past two winters Uzbekistan has delayed transmission of power to Tajikistan, making dubious excuses involving technical problems (ref C).

13. (SBU) Rumors about Uzbekistan's intended withdrawal first emerged at the beginning of October, and were followed by a flurry of diplomatic correspondence between Dushanbe and Tashkent (ref D). On November 7, Tajikistan's national electric company Barqi Tojik issued a press release announcing Uzbekistan's withdrawal and reassuring the Tajik public that it was taking all necessary steps to ensure "We will be able to come out of the situation on our own." In subsequent statements the government said it would be forced to hold water back from Uzbekistan to generate more power -- a threat some viewed as feeble, since Tajikistan already refills its reservoirs annually. Despite the brave words, it is clear that Tajik authorities are deeply rattled by Uzbekistan's withdrawal, which they see as a direct attack on Tajikistan. On November 20, President Rahmon convened a meeting of international donors to discuss the energy situation, at which he delivered a screed against Uzbekistan and requested donor assistance to develop Tajikistan's energy infrastructure. He provided more substance to earlier threats, explaining that the Tajiks would begin raising the dam at the planned Roghun hydropower station ahead of schedule; rather than powering Roghun, which was still many years away from completion, the water would be used to power the downstream Nurek hydropower station when its own reservoir ran low. He said as well that the much smaller Qairaqquq hydropower station in the north would run all winter, leaving little water flow for the spring agricultural season (ref A).

TAJIKS: WE'LL GET BY WITH A LITTLE HELP FROM OUR CITIZENS

14. (SBU) The Tajik government appears to be banking on Roghun as its sole salvation. Two weeks ago Dushanbe Mayor Ubaydullaev called upon all citizens to donate a month's salary to help fund construction of the dam. Since then, media have reported how one group or another has contributed to the effort. Last week, for example, teachers in Spitamen District announced that were

DUSHANBE 00001364 002.2 OF 004

handing over 20,000 somoni (\$4,600) to help build Roghun. Then residents of Ghonchi District who had been on the hajj in 2008 said they were taking up a collection for Roghun, and called on hajjis across the country to do the same. Not to be outdone, on December 2, President Rahmon noted some \$600 million was needed to bring Roghun's first turbines into operation. He said "every Tajik family, with the exception of vulnerable families, should purchase no less than 3,000 somoni (\$700) worth of shares" in Roghun, which are reportedly going to be made available next year. He added that wealthier Tajiks should spend much more. Rahmon played the nationalist card, emphasizing that Roghun would be wholly-owned from within Tajikistan, and no foreign power could control it. Every Tajik family with shares in Roghun would be assured of a profitable return on their investment -- either by cashing in their shares, or enjoying dividends.

UZBEKS EXPLAIN WITHDRAWAL METHOD

15. (U) At a standing-room-only press conference at the Uzbek Embassy on November 23, Uzbek Ambassador to Tajikistan Shokasym Shoislamov officially confirmed that Uzbekistan was pulling out of the unified energy system, effective December 1. Shoislamov, who read from a prepared statement, complained that there had been a good deal of misinformation about the pullout, which he said was not directed at Tajikistan or any other country, but was a logical step in building Uzbekistan's energy independence. The unified system was appropriate for a unitary state but was not effective for independent countries, which relied on stable and organized power generation. He said, for example, that a system crash at the Nurek hydropower station on November 9 was the result of inappropriately high consumption. The crash knocked out power not only throughout most of Tajikistan, but in southern Uzbekistan as well, disrupting power exports to Afghanistan. He said corruption in Tajikistan's energy sector was worrying. He said a foreign embassy in Dushanbe, which he declined to name, had been told by inspectors from Barqi Tojik that if it provided illegal payoffs to the inspectors

(presumably in lieu of official payments to the utility), the inspectors would make sure that its electricity stayed on. Finally, the Tajik part of the grid was rife with illegal tapping that reduced the flow of electricity throughout the system. Shoislamov said Uzbekistan needed to insulate itself from such potential problems. He noted that Kazakhstan and Turkmenistan already had withdrawn from the system in March 2009 and July 2003, respectively. The completion of the Guzar-Surkhan line linking the southern Uzbek grid with the rest of the country made it possible for Uzbekistan to go its own way as well.

¶6. (SBU) Shoislamov professed surprise at Tajikistan's alarmed reaction to the Uzbek withdrawal. He said Tajikistan had embarked on a series of new initiatives that had brought it closer to energy independence. Noting that Tajikistan's annual energy deficit was some 4 billion kilowatt-hours (kWh), he said the completion of Sangtuda-1 alone would halve that amount. (Note: Sangtuda-1 is theoretically capable of producing 2.73 billion kWh per year, but low winter water flows reduce actual generation. End note.) A number of other, smaller hydropower stations had also recently come online. Finally, Shoislamov noted (and with a straight face) that President Rahmon's recent decree banning incandescent lightbulbs throughout Tajikistan (ref E) was supposed to save as much as 3 billion kWh annually. Together these initiatives not only met but surpassed the annual deficit. Shoislamov said Uzbekistan would continue to supply electricity to Tajikistan's Sughd Oblast, which still had not been connected to the main grid in the southern part of the country. According to the latest reports, however, the so-called South-North transmission line is now complete, possibly obviating this offer. The Uzbek press conference was well-attended by international organizations and diplomatic representatives, in addition to the media. A few foreign attendees expressed frustration that the ambassador refused to take questions; one called the meeting a waste of time.

TAJIKS SAY THEY'LL KEEP THE ASSETS

¶7. (SBU) The Tajik government called its own press conference the following day to respond to the Uzbek Embassy, but almost no foreign representatives attended. Officials spoke mostly in Tajik rather than Russian, apparently to demonstrate adherence

DUSHANBE 00001364 003.2 OF 004

to the new language law. Government officials began by noting the Uzbek Ambassador had refused to answer any questions at his press conference and assuring that the Tajik government, in contrast, would answer any questions posed. In prepared statements they cited the "thousand-year" history of cooperation between the Tajik and Uzbek peoples, and said they would continue to work with Uzbekistan in that spirit of cooperation. They took umbrage, however, at the Uzbek ambassador's charges against Barqi Tojik for lack of professionalism, unauthorized energy losses, and other incidents.

¶8. (U) Representatives from Barqi Tojik said although Uzbekistan claimed its withdrawal from the unified energy system would happen on December 1, it had in fact unilaterally withdrawn on October 30, 2009, at 4 a.m., without any prior notification provided to Tajikistan. This statement appeared to belie the Uzbek claim that the November 9 power failure in Tajikistan disrupted the Uzbek electrical grid. Barqi Tojik acknowledged owing \$1 million to the Uzbek energy company, but said this was offset by a \$3.5 million debt owed by Uzbekenergo to Barqi Tojik. A separate \$14 million debt owed by Tajikistan to Kazakhstan had already been resolved. After the completion of the South-North transmission line, 70% of Sughd Oblast was now connected to the national grid, but the districts of Penjakent and Ayni remained isolated and must continue to receive power from Uzbekistan. Resolving this issue would take longer than "two days," officials said.

¶9. (U) According to Tajik officials, the real reason behind the Uzbek withdrawal from the unified grid is the desire to pressure Tajikistan to stop building Roghun. One speaker said the Uzbeks

were bent on doing whatever it took to harm Tajikistan, even if it also damaged Uzbekistan's own interests. For its part, Tajikistan did not seek to harm Uzbekistan in return, but it would be forced to use all available water for energy production, thus endangering Uzbek agriculture. The Tajiks emphasized that it was not their choice to divide the grid into separate national systems.

OUTSIDE MEDIATION FAILS; CAN TAJIKS GO IT ALONE?

¶10. (SBU) On November 25, USAID representatives met with Asian Development Bank energy specialists Roka Sanda and Levan Mtchelishvili, who said there were some overall risks to the electricity system in Tajikistan because it had never before operated as an "island," separated from the outside grid. A failed substation could disrupt power for days or weeks. They said the ADB was supporting a variety of energy infrastructure projects, including the 220 kV line from Sangtuda-1 to Afghanistan (ref D). While Tajikistan hopes this will be completed by June 2010 (the ADB representatives thought it might slip a couple months), the Afghan side is not expected to finish its side until December, so regardless, energy is not likely to flow as soon as President Rahmon had hoped. Sanda and Mtchelishvili denied Rahmon's insinuation that the ADB had withdrawn from the \$1 billion CASA 1000 project at Uzbekistan's behest, saying the Bank's decision was entirely a financial one: the project is too expensive. They believed the World Bank's support would dry up this year as well.

¶11. (SBU) The ADB is completing its current project to restructure Barqi Tojik, and a new project is under review by the Presidential administration. Barqi Tojik has been negative toward the plan, but the Ministry of Energy supports it. The ADB believes the President will approve it by the end of this year. Sanda and Mtchelishvili said future ADB funding would likely be contingent on the government's agreement to institute reforms, and they advocated that other international financial institutions (IFIs) require similar conditions. After the plan's approval, the ADB plans to finance phase 2 of its Barqi Tojik project to fully implement the restructuring, perhaps through a management contract or a similar mechanism. The ADB representatives suggested additional assistance was needed in energy regulatory reform and helping Tajikistan develop a strategy for infrastructure investment. These areas are within the scope of a USAID regional energy project contract currently in procurement.

THE CURRENT SITUATION: A ROUGH WINTER AHEAD?

¶12. (U) According to the latest information, the water level at
DUSHANBE 00001364 004.2 OF 004

the Nurek reservoir, which is responsible for just under 75% of Tajikistan's entire energy production, stands at 901.8 meters above sea level. This is 8.2 meters below the maximum water level, and 12 meters above the level at this time last year. The minimum water level, below which electricity cannot be generated without risk of damaging the turbines, is 856 meters above sea level. Based on anticipated inflow and outflow levels (currently 209 and 521 cubic meters per second, respectively), officials have determined that Nurek levels must not decrease by more than 27 centimeters a day. Rationing has been introduced throughout most of the country. Although electricity is still supplied 24 hours a day in Dushanbe, significant voltage drops during peak periods in the morning and evening indicates that supply is not meeting demand.

COMMENT: THEY'VE BEEN SLEEPING APART FOR A LONG TIME ANYWAY

¶13. (SBU) Although some of the arguments on both sides hold water, it is difficult to see the Uzbek withdrawal and the Tajik response as anything other than an escalation in the continuing political clash between the two countries. Energy independence is a worthwhile and understandable goal, but countries throughout the world trade power on an amicable basis, and, especially considering the history, infrastructure, and

experience, there is no reason Tajikistan and Uzbekistan should not do the same. Despite the harsh words and hasty actions, it is not clear how much the Uzbek withdrawal changes the status quo here. Tajikistan experienced serious energy shortages with only intermittent supplies from Uzbekistan during the last two winters anyway, and Tajikistan has a limited ability to hoard water, since it can only generate power by letting the water flow. The more important question is whether the amped up war of words will make cooperation more difficult across the board. End comment.
QUAST